

Budget Bulletin
HEALTH
(General Fund)

FY 2004

Thru: March 6, 2003

	Governor Leavitt's Recommendations	Approved by Legislature	Difference from Governor
Total Budget -- FY 2004			
1 FY 2003 Appropriations	\$231,712,600	\$231,712,600	\$0
2 FY 2003 IT Reduction Allocation	(150,400)	(150,400)	0
3 Retirement Funding Allocation from Finance to agencies	(1,700)	(1,700)	0
4 Replace FY 2003 one-time funding	2,900,000	2,900,000	0
5 Program Transfers - (DEQ, DHS)	(288,400)	(277,000)	11,400
6 FY 2004 Base Budget Reductions (see detail below)	(4,276,300)	(5,257,400)	(981,100)
7 FY 2004 Base Budget	\$229,895,800	\$228,926,100	(\$969,700)
8 FY 2004 Ongoing and Onetime Adjustments (see detail below)	30,639,600	34,838,600	4,199,000
9 FY 2004 Total Budget	\$260,535,400	\$263,764,700	\$3,229,300
<i>Items detailed in the Budget Reduction section include ongoing cuts made during the 6th special session. These cuts will take effect July 1, 2003.</i>			
10 Budget Reductions - FY 2004			
11 Health			
12 Executive Director's Operations			
13 Administrative reductions, IT position (1 FTE)	(\$60,100)	(\$100,400)	(\$40,300)
14 Reduction in number of birth certificates moved to electronic media	(50,000)	(70,000)	(\$20,000)
15 Cut personnel (2 FTE)	0	(75,000)	(\$75,000)
16 Vital Records Fee Increase	0	(206,100)	(\$206,100)
17 Health Systems Improvement¹			
18 Administrative reductions, survey position (1 FTE)	(27,500)	(49,900)	(22,400)
19 Increased licensing fees	(37,000)	(74,000)	(37,000)
20 Reductions in Primary Care and Workforce Assistance grants	(21,900)	(36,100)	(14,200)
21 Additional reductions to Workforce Assistance grants	0	(91,300)	(91,300)
22 Epidemiology and Laboratory Services			
23 Cut lab positions, vacancy savings (2.5 FTE)	(36,200)	(117,800)	(81,600)
24 Reduce HIV medication purchases	(12,000)	(30,000)	(18,000)
25 Cut data entry personnel (1 FTE)	0	(30,000)	(30,000)
26 Further reduction to HIV medications	0	(55,000)	(55,000)
27 Community and Family Health Services			
28 Administrative reductions	(8,600)	(31,200)	(22,600)
29 Cut SIDS specialist and clinic professional (2.5 FTE)	(71,600)	(71,000)	600
30 Reduce Tobacco Prevention funding (\$150,000 from restricted fund)	0	0	0
31 Cut Children w/ Special Health Care Needs personnel (2 FTE)	0	(151,800)	(151,800)
32 Health Care Financing			
33 Cut staff and vacancy savings (13.5 FTE)	(94,600)	(337,600)	(243,000)
34 Further reduction to Health Care Financing personnel (8 FTE)	0	(188,000)	(188,000)
35 Medical Assistance²			
36 Across the board rate reductions	(2,908,800)	0	2,908,800
37 Reduce Medically Needy Program	(569,200)	0	569,200
38 Delink TANF and Medicaid	(116,200)	0	116,200
39 Substitute generic for name brand prescriptions	(200,000)	(200,000)	0
40 Reduce aged/disabled eligibility to 75% federal poverty level	0	(1,662,100)	(1,662,100)
41 Increase copays for pharmacy and physician	0	(891,400)	(891,400)
42 Increase pharmacy discount to AWP minus 15%	0	(490,600)	(490,600)
43 Eliminate optional services	0	(50,000)	(50,000)
44 Elimination of Male Infant Circumcision Optional Benefit	0	(100,000)	(100,000)
45 Elimination of Chiropractic Benefits	0	(75,000)	(75,000)
46 Local Health Departments			
47 Contract reductions	(62,600)	(73,100)	(10,500)
48 Subtotal Budget Reductions - FY 2004	(\$4,276,300)	(\$5,257,400)	(\$981,100)
49 One-time Budget Adjustments			
50 Health - Department-wide Items			

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51	FY 2004 Adjustment for extra working day	\$95,000	\$81,700	(\$13,300)
52	Subtotal One-time Budget Adjustments	\$95,000	\$81,700	(\$13,300)
53	Ongoing Budget Adjustments			
54	Health - Department-wide Items			
55	Benefit rate adjustments	\$472,700	\$469,200	(\$3,500)
56	Internal service fund adjustments	(37,400)	(57,900)	(20,500)
57	Health - Divisions			
58	Medicaid - New caseload growth and utilization	19,340,600	19,300,000	(40,600)
59	Medicaid - Replace one-time funding from HMO savings	7,000,000	7,100,000	100,000
60	Medicaid - Replace one-time funding from Medicaid Restricted Account	1,573,000	0	(1,573,000)
61	Medicaid - Pharmacy inflation	5,136,300	5,100,000	(36,300)
62	Medicaid - Change in federal match rate	(4,292,100)	(4,400,000)	(107,900)
63	Medicaid - Restore aged/disabled/blind to 100% of poverty level (HB 37) ³	0	4,600,000	4,600,000
64	Medicaid - Change spenddown to 100% of poverty level (HB 37)	0	1,000,000	1,000,000
65	Medicaid - Ticket to Work for disabilities	0	300,000	300,000
66	Medicaid - Physical therapy, audiology, hearing (SB 3, Line 334)	0	180,000	180,000
67	Medicaid - Reduce PCN enrollment fee for some recipients (HB 212)	0	45,000	45,000
68	Database for fully automated external defibrillators (SB 95, SB 3, Line 326)	0	5,600	5,600
69	Primary Care Grants	0	50,000	50,000
70	Baby Watch/Early Intervention ⁴	1,351,500	1,000,000	(351,500)
71	Prescription drug assistance program (SB 140, SB 3, Line 331)	0	65,000	65,000
72	Children's Health Insurance Program (HB 72 - \$1,500,000 restricted funds)	0	0	0
73	Subtotal Ongoing Budget Adjustments	\$30,544,600	\$34,756,900	\$4,212,300
74	Total Budget Adjustments	\$26,363,300	\$29,581,200	\$3,217,900

Notes:

(1) Includes Workforce Financial Assistance

(2) These reductions do not include \$5.2 million in cuts due to FY 2003 caseload that exceeded budgeted growth

(3) Bill replaces services cut due to increased FY 2003 caseload that exceeded budgeted growth and 6th special session cuts

(4) A sliding scale fee will be implemented to make up for the difference between the Governor's Recommendations and funds approved by the Legislature.

Prepared by the Governor's Office of Planning and Budget

<http://www.governor.utah.gov/gopb/Budget>